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Japan's Changing Food Preferences

Morocco-EC Preferential Trade Results

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Japanese schoolgirl signals approval of bread-supplemented lunch. Milk and wheat have increased height and weight of postwar school generations. See story on page opposite.

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Changing Food
In Japan Spur
Of U.S. Farm

The younger generation's greatly increased use of wheat foods has stepped up its consumption of other products eaten with these foods—eggs, meat, dairy items, poultry, fruits, edible oil, etc.

Traditional diet was rice plus vegetables, soy foods, and fish. Imaginative use of tastes, colors, and shapes made up for sameness in the diet.

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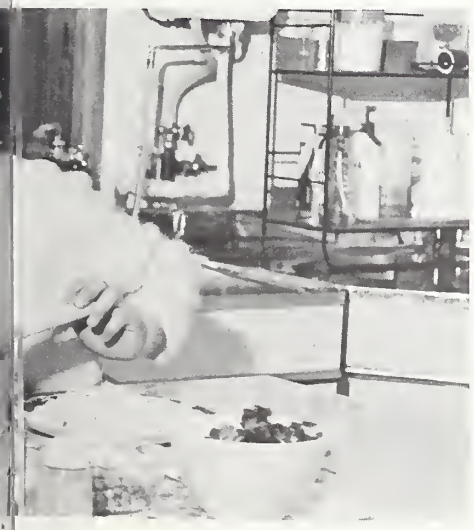

By LEON G. MEARS
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The $1.1 billion in U.S. farm exports to Japan in fiscal 1970—largest amount ever shipped from one country to another in a single year—was a direct result of changing Japanese diets.

In the past 20 years, some startling trends have appeared in Japan's food patterns: consumption of many of the traditional foods has declined, and wheat foods, fruits, and animal products such as meat, milk, and eggs now appear much more frequently at mealtime. Businessmen seeking markets in Japan for U.S. agricultural products would be well advised to study these trends and determine what the changes mean for them.

The diet of the Japanese people has traditionally consisted of rice as the main food *(shushoku)*, with soybean foods, fish, and vegetables as side foods (*fukushoku*, or all other foods, eaten in smaller quantities as supplements to the main item). Over the centuries a large number of these accessory or side dishes have appeared, complementing the appearance and rather bland taste of boiled rice.

This food consumption pattern has directly utilized foods of plant origin—such as rice and vegetables—rather than converting them into animal products. Japan, with its limited land area, has not been able to afford the luxury of extensive grasslands or feedgrain crops. Thus, for protein, the Japanese have relied heavily on the sea. Their fishing fleet has long been among the largest in the world, and per capita consumption of seafood in Japan also among the highest.

Further, the closed society of old Japan depended entirely upon its own resources for food; food imports from outside the Japanese islands were nonexistent or minimal, like trade in general. As the sustenance of self-contained farming-fishing communities, the Japanese diet became standard early in the long history of the country and changed very little over the centuries.

As a result, the Japanese developed a strong physical and psychological dependence upon this diet; and there developed a strong mystique surrounding it which determined the order in which the foods were to be eaten and what foods were to be eaten when. Because of the sameness of the diet century after century, the esthetic appeal of the food and the utensils for serving it took on as much importance as its taste and nutritional value.

Rice, the mainstay of the Japanese traditional meal, reached a consumption peak of about 308 pounds per capita (milled basis) around 1920 and has since been on a downward trend.

Among the foods that Westerners would consider "main dishes" (in contrast to rice, which to most Westerners ranks as a "side dish"), fish, meat, eggs, and dairy products held varying positions in the prewar Japanese diet. (Averages for 1934-38 are used in referring to prewar consumption levels.)

Meat consumption averaged only about 4 to 6 pounds per capita per year; but fish consumption averaged about 22 pounds, and salted and dried fish were important in the diet even in areas remote from the sea.

Eggs and dairy products were considered rather special foods supplying extra nourishment for infants and invalids; annual consumption per capita was as low as 5.1 pounds of eggs and 7.3 pounds of dairy products (whole milk basis).

For many centuries, the Japanese have eaten large amounts of soybean foods—before World War II, about 33 pounds per capita per year. At least one, such as soybean paste *(miso)*, soybean curd *(tofu)*, fermented soybeans *(natto)*, or soybean sauce *(shoyu)*, is served with every rice meal. Probably soybeans in Japan correspond to cow's milk in Western countries, in that people make various foods from them to suit their own tastes and diet pattern.

Vegetables too have always been important in the Japanese diet. The various kinds are generally boiled and flavored with soybean sauce, or preserved by soaking in salt and rice bran.

The turning point in established eating habits began in the early 1950's. This was about the time the Japanese economy began its rapid growth and agricultural production completed its postwar recovery.

Considering that rice for so long has been the main dish of the Japanese meal, the most striking change is the continued decline in per capita rice consumption; it dropped to 213 pounds last year, 95 pounds lower than the peak consumption of a half century ago. Consumption of wheat products, however, has risen almost without in-

terruption since the beginning of the century, though it has leveled off in the past 4 years.

Much of the wheat flour consumed is in the form of noodles, bread, and spaghetti, which are replacing rice as the main food in the Japanese diet. The Japanese are eating these wheat foods much more often; but individual servings of "main foods" are declining because of the larger number of side dishes being used with them. Wheat foods, especially bread, require side dishes different from those used with a rice meal. Thus, the shift from rice to wheat foods is closely related to the growing popularity of a host of foods previously unknown to most Japanese consumers.

The school lunch program begun after World War II has educated young Japanese as well as their teachers and families on the nutritional value of bread, milk, and other foods relatively new in the Japanese diet.

Promotion conducted by Wheat Associates, U.S.A., during the past 15 years has helped to introduce a wide variety of Western-type foods such as sandwiches, doughnuts, American-style pancakes, waffles, spaghetti, macaroni, and cakes and cookies.

The current spaghetti boom is an example of rising popularity for one wheat food introduced only a few years ago. Consumption of spaghetti in 1961 totaled only 10,500 metric tons. This year's sales are forecast at 56,000 tons, and this rapid growth is expected to accelerate. Pasta foods such as spaghetti, macaroni, lasagna, and pizza were sampled and liked by many of the 60 million visitors to Expo 70 this year, and Japanese food manufacturers are currently gearing up to capitalize on this new market opportunity.

The average Japanese is now consuming about 2½ times as many calories in animal products as he was a decade ago. This reflects growing consumer affluence and interest in nutrition, as well as sharply bigger supplies of these products on the Japanese market. According to projections made by the Japanese Ministry of Agriculture and Forestry, consumption of animal products will continue to rise.

Consider also the expanding use of eggs. In 1960, the Japanese consumed 102 eggs per person. By last year, that figure had risen to 269, and consumption is expected to continue expanding at a rapid pace for the foreseeable future.

There is also big growth potential in broilers. Per capita consumption of poultry meat has increased eight-fold since 1960. But consumption is still modest in comparison with that of Western Europe and the United States. The Japanese ate only 7.2 pounds of poultry meat (boned-out basis) per person in the Japanese fiscal year 1969.

The comprehensive promotion program conducted in Japan since 1960 by the U.S. Feed Grains Council (USFGC) in cooperation with the Foreign Agricultural Service has stimulated the consumption of a variety of animal products. For example, since 1966 the USFGC has worked closely with several Japanese industry groups every year in conducting a large-scale nationwide campaign promoting eggs. A similar promotion for broilers has also been carried out each year since 1966. About two-thirds of the $322 million worth of feedgrains that Japan imported from the United States in the U.S. fiscal year 1970 went into layer and broiler feeds.

Despite this sharply increased consumption of animal products in the past decade, the Japanese still depend heavily on the sea for their food needs. However, per capita consumption of fish and shellfish in 1969 was down about 5 percent from the previous year, to a total of 67.9 pounds.

Per capita consumption of edible fats and oils in Japan has more than doubled since 1960, but it is still only 20 pounds per year. This is about one-half of the target consumption level for good health (39.6 lb. per year) recently established by the Japanese Ministry of Health and Welfare.

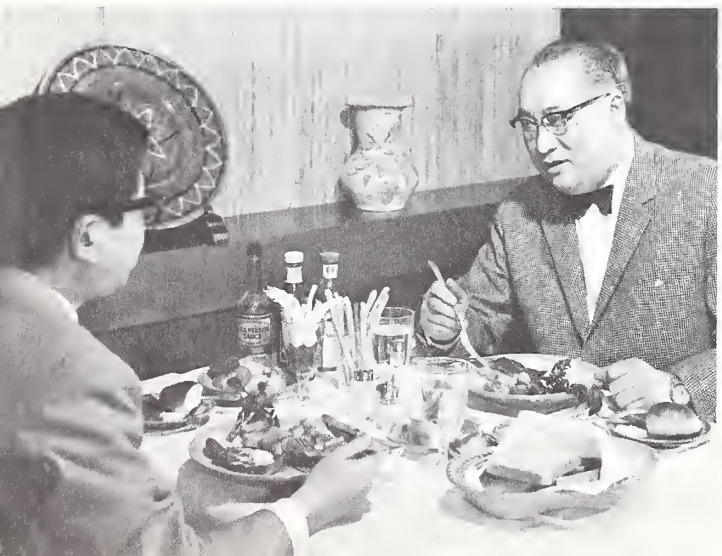
Today, soybean oil accounts for 37.4 percent of the edible fats and oils consumption; it is by far Japan's leading edible oil. This is in sharp contrast to the situation before World War II, when few soybeans were crushed for oil. Soybean oil is marketed in Japan chiefly as the main ingredient of tempura oil, which is widely used in Japanese households and restaurants for tempura cooking—a form of frying in deep fat.

A nationwide vegetable oil campaign, sponsored jointly since 1966 by the American Soybean Association (ASA) and the Japan Oilseed Processors Association has helped to convince consumers of the desirability of using more vegetable oil. ASA, in cooperation with FAS, has been promoting soybeans and soybean products in Japan since 1956. Japan is by far our largest overseas market for soybeans; our shipments to that country were valued at $251 million (f.o.b. basis) in the fiscal year 1970.

While many older Japanese bemoan the growing scarcity of some traditional foods and others argue that the old diet was better, Japanese children today are much taller and somewhat heavier than their parents were at the same age, and they can expect to live considerably longer. Twice since the end of World War II, the desks in Japan's grade schools have been made larger, and doorways in office buildings and homes currently being constructed average about 6 inches higher than those of two decades ago.

The traditional Japanese diet pattern centering on boiled short grain rice is still dominant among older Japanese consumers, although changes are slowly taking place. Even the quantity of rice

(Continued on page 16)



The Japanese business lunch—an important time for sociability amid peaceful surroundings—is now likely to include Western-type foods such as steak and rolls, presented in harmony with the Japanese standard of tasteful simplicity.

Israeli Citrus Industry Sees Income Drop Despite Record Export Shipments

The Israeli citrus industry's 1969-70 production and marketing year was, according to a dispatch from the office of the U.S. Agricultural Attaché in Tel Aviv, one of unusual contrasts. Total citrus production increased, yet yields dropped. Israeli exports of fresh citrus fruit hit a record high, but net returns were down. Some European Community nations upped their citrus purchases, but Israel's overall share of the EC orange market sagged.

Israel's total 1969-70 commercial citrus production increased to 1.2 million metric tons compared with 1.1 million in 1968-69. This was only 3.4 percent less than the record of 1967-68.

The quality of the 1969-70 citrus crop—particularly grapefruit—was a major factor in enabling Israel to raise the percentage of the total crop exported as fresh fruit from 61 percent (1968-69) to 67 percent in 1969-70. This reversed a downtrend that saw the export percentage drop from 67 percent in 1965-66.

Record citrus exports

As a result of the increased 1969-70 availability, total exports of Israeli citrus fruit were boosted to a record 817,000 metric tons, an increase of 18 percent. This is the largest amount exported in the history of Israel's citrus industry. The previous record (1967-68) stood at 738,000 metric tons.

But despite the overall lift in production, individual elements of the 1969-70 crop showed a mixture of gains and losses when compared with a year earlier. Production of Shamouti oranges was up by more than 14 percent to 656,600 metric tons. Output of Valencia oranges dropped by nearly 6.5 percent to 206,415 tons, but grapefruit production rose by nearly 8 percent to 279,200 tons. (Grapefruit was the only major citrus fruit whose production was higher in 1969-70 than in the record year of 1967-68.)

It could be expected that with an 18-percent boost in the amount of its citrus exports, Israel would realize an increase in its net return. This was not the case, however. Prices paid for Israeli citrus fruits fell and the total return in terms of foreign currency remained about the same as in 1968-69 at $88 million. In fact, because this income included returns from the sale of 52,000 tons of citrus grown in the Gaza Strip and marketed by Israel, the latter's net income was probably less than last year's.

It should be noted, however, that during the 1969-70 season, the export premium paid by the Israeli Government for each dollar earned on an f.o.b basis was raised from 10 to approximately 15 U.S. cents.

A number of factors contributed to the price drop for Israeli oranges. Israel faced stiffer competition from all other Mediterranean citrus exporters. Total quantity available on the market was up by almost 15 percent and large quantities of stored summer fruit—chiefly apples produced in Western Europe—tended to depress Continental fruit prices.

An unusually severe winter hampered inland transportation of citrus in important European markets, mainly in Germany and to some extent in England. Port troubles in Israel caused some irregularity of shipments during part of the season.

Even before all of the Israeli fruit was sent to the port for shipment, citrus producers were in trouble. Unseasonably warm weather in January and February in Israel caused some oranges to soften, affecting their storability. The trouble was more pronounced for Valencias than for Shamoutis because part of the Valencia shipments had been held up until the last Shamouti had a firm market commitment.

Shamouti oranges, which in 1969-70 made up 52 percent of Israel's citrus crop, were heavy sellers in the European Community. Total EC purchases of this variety increased by 40 percent over the previous year's. However, shipments of Valencia oranges to the EC were slightly under last year's and the net effect was that Israel's share of the EC's winter orange market dropped from 18 percent in 1968-69 to about 17 percent in 1969-70.

Israel is one of several Mediterranean countries receiving a tariff preference from the EC. For most of the 1969-70 season Israeli oranges enjoyed a rate of 12 percent ad valorem compared with a 20-percent duty on oranges from the United States.

Israel boosted its share of the United Kingdom's fresh orange market by more than 6 percent, from 50.5 percent to 56.8—mostly because of increased sales of Shamouti oranges. This increase did not represent a displacement of other producers by Israel but rather indicated growth in the size of the U.K. market. The United Kingdom was the only EFTA country where major changes took place.

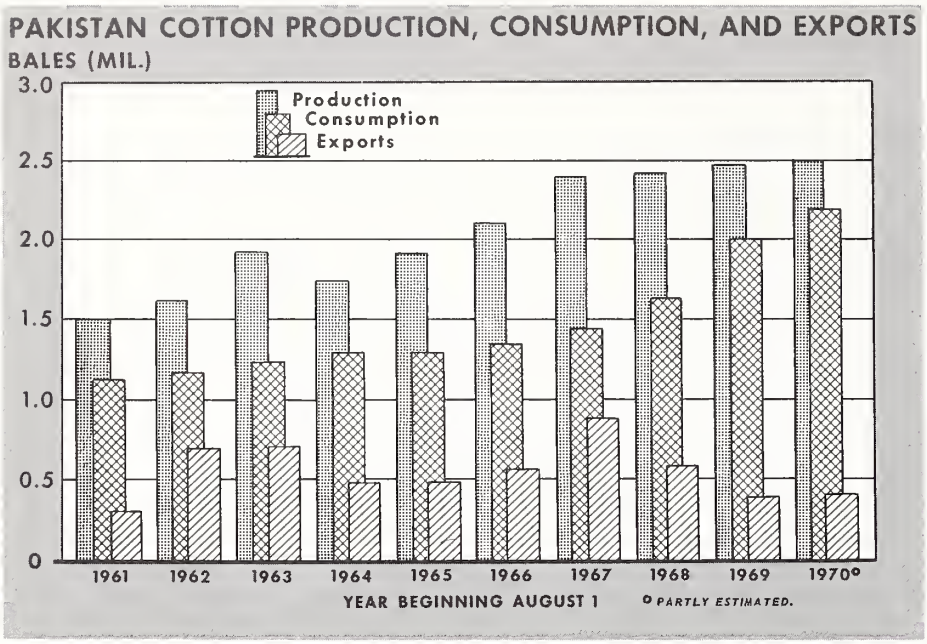
U.S. shipment damaged

Israel's shipments to areas outside of EFTA and the EC were, as usual, of limited importance. However, orange shipments to the United States suffered a blow when one Shamouti orange shipment had to be returned from Philadelphia to Israel because it was damaged during fumigation at Ashdod port. This reduced total Israeli citrus shipments to the United States from a planned 9,000 metric tons to 7,800 tons.

Israel's grapefruit exports fared better. Sales to the EC increased by nearly 37 percent, reaching 130,000 metric tons. The Netherlands, for example, almost doubled its purchases.

Israel boosted grapefruit sales to Italy from 4,700 tons in 1967-68 to 15,500 tons in 1969-70. These sales to Italy are especially significant because the average price of grapefruit sold to that country was higher than the world average for all other Israeli grapefruit.

Israel will probably have larger citrus supplies available for 1970-71. With normal cull figures, there could be as much as 863,000 metric tons available for export. Unless Israel is able to overcome increasing competition from other Mediterranean citrus nations, and to increase its own share of the world market—and particularly in the EC—it might find itself with even larger supplies on hand for which there are no customers.



Pakistan Expects Greater Cotton Output and Sales

By HARRY C. BRYAN and LARENCE OSBORN
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Increasing cotton production in Pakistan is expected to intensify competition for the United States in the world's major cotton markets during the next few years.

Pakistan's cotton exports compete most directly with U.S. cotton in the shorter staple range, since most (three-fourths) of Pakistan's shipments are 1 inch or shorter in staple length.

About one-third of Pakistan's exports usually go to Communist countries. Large U.S. cotton markets—Hong Kong, Japan, and several Western European countries—take the remainder. In 1969, Hong Kong was the leading Pakistani cotton market, taking 98,000 bales. Japan was second with 62,000 bales. The USSR and China each took 49,000 bales.

Total exports of Pakistani cotton have ranged from 400,000 to 800,000 bales per year in the past 5 years, with exports in the past two seasons nearer the lower figure. The outlook for the 1970-71 season is for shipments to continue in the lower range, mainly because of rapidly rising domestic utilization. Both domestic and export cotton prices have risen about 2 cents per pound over the past 2 years because of strong demand in domestic and export markets. By the 1974-75 season, with increased production, exports are expected to return to a higher level, possibly reaching 800,000 to 900,000 bales.

This year's cotton production in Pakistan is expected to total about 2.5 million bales, just slightly more than the 1969-70 harvest. Early expectations for an increase in cotton area were not realized, reportedly because of a shortage of irrigation water at planting time in the northern cotton producing area. Pakistani industry leaders indicate that area will be very near the 4.3 million acres planted in 1969-70. Rare heavy rains in the southern area during August, coupled with prolonged high humidity which favored insect infestation, also reduced expected outturn.

The Government of Pakistan plans to keep cotton production trending upward in the next few years. In its fourth Five Year Plan, the Government has set a production target of 3.4 million bales for 1974-75, the last year of the plan. This would provide an exportable surplus of 800,000 bales per year after the increasing domestic mill requirements of about 2.6 million bales had been met. Industry officials are hopeful that, as a result of increasing returns to producers, about half of the production increase will take place in the 1971-72 season. Pakistan approached previous production goals and will probably reach the new one.

Although there is some trend toward longer fiber staple lengths, about three-fourths of Pakistan's outturn will continue to be 1 inch or shorter in staple length.

Production should continue to increase for several reasons. One is increased returns to cotton producers. Raw cotton prices received by producers this season are 25 percent higher than last season's. Competition between the expanding local textile industry and exporters for the available cotton is believed responsible for the increase, because internal and export prices for Pakistan cotton have not increased as much as producer prices, although they are trending upward.

In addition, since August, exporters of raw cotton have been eligible to retain, in the form of bonus vouchers, 10 percent of the foreign exchange they earn. They can use these vouchers to import a large number of items for which foreign exchange is not available or they can sell them for up to 175 percent of their value. This makes raw cotton exports more competitive with cotton textile exports, which have earned retention of 15 percent of the country's foreign exchange for the past several years.

Another reason to expect increased production is an anticipated increase in area planted to cotton. In the next 5 years, 250,000 to 300,000 acres of newly irrigated land may be used for cotton if prices remain favorable. In addition, area next season should increase by at least 150,000 acres at the expense of other crops, mostly sugarcane, wheat, and forage. This is almost double the average yearly increase of 79,000 acres over the past 15 years.

Both large and small producers are

expected to aim for greater per acre yield by more use of fertilizers, insecticides, and selected seeds. However, the availability of irrigation water—both canal and pump—will be a limiting factor in developing new areas, selecting cropping patterns, and shifting from one crop to another within established areas. Major official emphasis for larger production remains on increased yields.

Additional sources of credit to the producer also have helped boost cotton production. Although gins continue to be the primary source of credit, loans are now made by the Agricultural Development Bank—a semiautonomous Government organization—and by a few cooperatives. ADB gives credit against mortages on crops; for purchasing planting seeds, fertilizer, and insecticides; and for taxes and water charges.

The Pakistan Government pays 75 percent of the cost of pesticides, 35 percent of fertilizer costs, and a subsidy on improved cotton seed. However, area receiving protection through use of pesticides has been limited, and Government funds reportedly are not available for wide application of insecticides by air. Fertilizer subsidies will be reduced under the new Five Year Plan.

Price and market information for the farmer, which has been negligible in the past, is now supplied daily by radio and television. This has helped make the small farmer aware of market conditions and less dependent on price information provided by buyers.

In spite of advances in production techniques and Government assistance for the farmer, however, several things are holding back rapid progress in cotton production. One problem is per acre yield, which, at 287 pounds (about ½ bale), is among the world's lowest for irrigated cotton. Although yield is improving steadily no real breakthrough is in sight. This is mostly due to the large number of small farmers with limited economic resources who have not been able to adopt improved cultural practices such as use of fertilizer, insecticide, and improved seeds. Although some medium-sized farms yield over 1 bale per acre, with 2 bales per acre not uncommon on larger, progressive farms, high yields remain the exception.

Another problem for the average farmer is production costs. Although limited information suggests that direct costs of producing cotton in many areas of Pakistan remain quite low compared with U.S. levels, total cost for the average producer is relatively high. The accompanying table presents rough approximations of cotton production costs and returns in 1969-70 and 1970-71 on large, efficiently operated farms and on average holdings, generally no more than a few acres and relatively inefficiently operated.

COTTON PRODUCTION COSTS AND FARMER RETURNS IN PAKISTAN

Item	1969-70		1970-71	
	Superior	Average	Superior	Average
Seed cotton per acre ..... pounds	1,809	822	1,809	822
Lint cotton per acre ..... pounds	603	274	603	274
Cotton price per pound, unginned ..... cents	10.24	10.24	12.81	12.81
Income per acre ..... dollars	185	84	232	105
Direct cost per acre ..... do	78	42	80	42
Total cost per acre ..... do	122	77	125	77
Net profit per acre ..... do	63	7	107	28
Total cost per pound lint cotton ..... cents	20.2	28.1	20.7	28.1
Direct cost per pound lint cotton ..... do	12.9	15.3	13.3	15.3

Although productive land suitable for growing cotton is relatively expensive—$750 to $1,250 per acre—most farmland changes hands by inheritance rather than commercial transaction, so this cost is not as significant to producers as other costs.

The cost of custom ginning—often requested by large producers, special producers of extra long staple cotton (1¼ inch), and a few multipliers of planting seed—is low, reportedly averaging $5 to $7.50 per bale, compared with a U.S. cost of about $19 per bale.

Custom-ginned cotton is sold as lint, but the rest of the country's production is sold almost exclusively as seed cotton. In the northern producing area, seed cotton is usually sold directly to ginners, while in the south it may also be sold to middlemen or merchants in local bazaars.

Production sold as seed cotton is grown mostly on the smaller, less efficient farms. The most typical cotton-producing farm in Pakistan is a unit of only about 12 acres which a man and his family, with a pair of bullocks, can farm. In such a unit, cotton is grown on about 5 acres, wheat on 6 to 7, and forage for the bullocks on the remainder. The family may own this unit or work it as tenants. Use of machinery, mostly for plowing, is increasing on Pakistani cotton farms.

PAKISTAN'S COTTON EXPORTS BY COUNTRY OF DESTINATION

Country of destination	Year beginning August 1					
	Average 1960-64	1965	1966	1967	1968	1969
	1,000 bales [1]	*1,000 bales* [1]	*1,000 bales* [1]	*1,000 bales* [1]	*1,000 bales* [1]	*1,000 bales* [1]
China, Mainland	102	101	140	88	102	49
France	17	18	18	38	14	7
Germany, West	4	1	1	39	3	1
Hong Kong	106	124	156	239	144	98
Japan	136	122	86	167	69	62
Netherlands	3	7	3	24	3	2
Poland	2	31	30	31	34	35
Romania	0	0	0	12	11	17
Spain	2	3	(2)	23	19	1
United Kingdom	28	33	23	74	48	12
USSR	7	3	24	21	32	49
Yugoslavia	9	4	15	25	43	7
Other countries	64	60	62	106	52	53
Total	480	492	558	887	574	393

[1] Bales of 480 lb. net. [2] Less than 500 bales.

An Economic Evaluation of th

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Nearly a year and a half ago, on September 1, 1969, following lengthy discussions and negotiations, the first formal step was taken opening the way for closer association between Morocco and the European Community (EC). As of that date Morocco, Spain, Israel, and Tunisia (all major citrus exporters) became partial EC associates.

The United States has protested these arrangements under the General Agreement on Tariffs and Trade (GATT) as damaging to its citrus exports to Europe.

What has been the effect so far on the favored Mediterranean countries? This article examines the changes that have occurred in Morocco's trade with the Common Market since the 1969 arrangement and may be an indication of what is happening in the EC's other Mediterranean trading partners.

While the EC's concessions for imports of Moroccan goods were far short of Morocco's goal—full participation in Common Market preferences—the arrangement nevertheless carried important duty reductions for several Moroccan agricultural products, including fresh citrus and olive oil. Citrus is the most valuable Moroccan agricultural product exported.

EC duty preferences also covered certain processed food items exported in relatively minor quantities. And most Moroccan industrial goods were provided with duty-free movement into the EC without quantitative restrictions.

In return for EC concessions, Morocco reduced import tariffs on a wide range of industrial products and established subquotas for imports from EC members of commodities subject to quantitative restrictions. While Morocco's tariff reductions were made on a most-favored-nation basis, the items selected will benefit EC countries most, and the practical impact of the reductions will be almost entirely in that direction.

In addition to direct tariff advantages and quota-free entry for most Moroccan items, the Morocco-EC arrangement has given Moroccan trading interests wider access to cash markets and thus reduced the heavy traditional dependence on France as a product outlet. On the other hand, special duty-free quotas granted annually by France on Moroccan products included in the EC preferential list ended when the association agreement came into effect. This meant the loss of duty-free quotas on 240,000 metric tons of fresh oranges (including tangerine types) and 12,000 tons of olive oil (including 6,000 tons edible and 6,000 tons industrial oil).

Evaluation of the total impact of the EC-Morocco economic association on Morocco's agricultural production and trade during the first year of application (1969-70) is difficult. Developments are somewhat obscured by outside factors prevailing during the period that are difficult to tie in directly with the association arrangement. However, Morocco's revenue advantages from the trade concessions are easily seen if the analysis is limited to citrus and olive oil. These commodities are important both by volume and by value. Further, the effects of the preferences granted them are readily measurable.

In general, the EC-Morocco arrangement dropped ad valorem duties on Moroccan citrus entering the Common Market by 80 percent—providing certain minimum prices were maintained. Although this change was significant for oranges and tangerines, of which Morocco is a major exporter, it did not much affect Morocco's relatively unimportant lemon shipments.

At the same time, large 1969-70 orange crops and shipments from Morocco and other Mediterranean countries kept 1969-70 EC orange prices close to the established minimum wholesale prices. These low prices resulted

Harvesting oranges for export in the Rharb region, near the Atlantic coast in Morocco. Crawler tractor hauls orange boxes from field. (Photo: Tourist Office of Morocco.)

C-Morocco Preferential Trade Arrangement

in a reduced rate of receipts by Morocco from orange sales in 1969-70. Despite 16 percent greater orange exports from Morocco than during the previous marketing year, Morocco's 1969-70 export receipts increased only 7 percent to $80 million. (Some of the loss of Moroccan revenue, however, can be attributed to the effects of the devaluation of the French franc in 1969.)

But counterbalancing lower rates of returns from 1969-70 orange exports and the loss of the duty-free French quota, Morocco's duty savings under the new system were substantial. Using average per ton Moroccan orange returns (excluding exports to Communist countries), the EC duty revenues on Moroccan oranges in effect prior to September 1, 1969, would have totaled just over $5 million. Under the new duty rate, however, payments on all Moroccan oranges exported to the EC totaled only about $2.3 million. These duty savings were increased revenue for Morocco.

The EC-Morocco arrangement also undoubtedly played a role in increasing Moroccan exports to other EC countries than France—principally West Germany. The volume of exports shipped to France in 1969-70 was slightly below both the preceding season and average exports during the five seasons 1964-69. France took 35 percent of total orange exports in 1969-70 compared with 41 percent in 1968-69 and an average 46 percent in the 5 years preceding 1969-70. Exports to West Germany increased in both volume and proportion and made up 21 percent of total Moroccan orange exports in 1969-70 compared with 11 percent in 1968-69 and an average of 18 percent during the 1964-69 period.

Other factors that contributed to this trend were heavy competition on the French market from Spanish and other oranges and promotional efforts by Morocco in West Germany. West Germany is considered by the Moroccans to be a top potential outlet because consumers are more quality conscious and are willing to pay premium prices for the best Moroccan oranges. In France, for example, there is supposedly less quality differentiation.

The EC-Morocco arrangement exempts Moroccan olive oil from import levies applicable to third-country oil exports to the EC if a price at least $50 per metric ton above the established reference price is maintained. The penalty provision is that if Moroccan oil sold below the $50 differential the EC would suspend import levy exemptions for 2 months.

Although benefits to Morocco under the above preference were substantial during 1969-70, administration and control proved cumbersome, and procedural changes have been made in the system becoming effective November 1, 1970. Individual Moroccan exporters will be responsible in the future for maintaining selling prices at levels that will assure prescribed differentials. The new system will also be loaded with administrative details, some of which are yet to be worked out. But by placing the burden of control on the exporters, action should be simplified.

No change is expected in the pattern of Moroccan oil exports. With the exception of about 15,000 tons of olive oil used locally each year, the entire domestic production is now exported, and 90 percent or more is sold to Italy.

Implications for domestic olive oil production and consumption are uncertain at the moment, although an export incentive is provided by the preferences. While some expansion in olive tree numbers occurs each year, the somewhat hazy long-range marketing outlook for olive oil will probably limit expansion.

But the EC-Morocco economic association has already had effects on Morocco's orange production and handling and may have even greater significance in the future.

Coinciding with the Morocco-EC arrangement, the domestic citrus-marketing policy was changed beginning with the 1969-70 season. New management and administration practices were designed to reduce costs of the Government marketing organization, the Office of Commercialization and Exportation (OCE). If successful, these changes will increase returns to producers. Supplemented by the tariff saving realized under the EC-Morocco arrangement and channeled back to producers, these increased returns will strengthen incentives to improve and expand production.

Another development is that Morocco currently is pushing to get EC duty concessions on orange juice. The present emphasis in Morocco is still on the production of fresh fruit for export with processing in a low-priority position. The Moroccan citrus-processing industry is limited to using unexportable qualities of table oranges from each crop and even must compete in obtaining a share of the fresh fruit rejects. Usually rejects make up 30 percent of each crop, and of this 70 percent is consumed locally as fresh fruit. Less than 10 percent of the total crop is left for allocation to about 10 processing plants, none of which receive quantities sufficient to operate at full capacity.

However, the feeling is that Morocco's West German market for industrial orange juice concentrates could be expanded rapidly, even at the existing substantial duty rate, if regular supplies were available from Morocco. Therefore, if the preferential list is expanded to include orange juice, the West German market alone might be lucrative enough to shift increasing emphasis and priority to processing—possibly to the degree of encouraging planting of juice varieties of oranges and improving processing techniques.

Overall effect of the Morocco-EC economic association on Moroccan agricultural production and trade in the future will, of course, depend on what course the present association takes. Morocco will be trying to gain expanded EC preferences, and will probably succeed to some degree, depending upon the commodity. Expanded preferences could have implications for third countries. For example, if EC preferences are given to Moroccan orange juice, third-country suppliers would meet increasing competition in the European market.

Haitian farmer improves land in a low-lying area where sisal is typically grown. Sisal is the last of Haiti's plantation-grown crops. (Photo: FAO)

Haitian Sisal Plantations And Exports On the Wane

The Haitian sisal industry is presently in a state of transition. Low world market prices and stiff competition have forced plantations to abandon entire fields of sisal, thus causing greater reliance on the hand-decorticated fiber.

In 1950, raw sisal fiber was one of the seven most important agricultural products exported from Haiti; the others were coffee, cacao, sugar, cotton, bananas, and essential oils. Since 1950, only essential oil exports have increased. Sugar exports have fluctuated between 3,169 tons (1958-59) and 49,126 tons (1962-63) and have shown neither an up or down trend. On the other hand, coffee, cacao, and sisal production and exports have followed a downward trend, and cotton and banana exports have disappeared entirely except for small shipments to the Bahamas of plantain bananas from Haiti's northern coastal area.

Of these seven products, only bananas, sugar, and sisal fiber have been grown on plantations in significant quantities in recent years. And with the decline in banana exports from 2,156,000 stems in 1948-49 to zero in 1964-65, sugarcane and sisal remained the only plantation crops. However, to define sugarcane as a plantation crop in Haiti is misleading since probably less than 20 percent of the estimated 2.5 million tons of sugarcane produced annually is grown on farms larger than 7.4 acres. This means that there are probably less than 30,000 acres of plantation sugarcane.

Thus, since the late 1950's, sisal has been Haiti's only true plantation crop, and low world prices for sisal now threaten its continued production on plantation-sized units. Sisal fiber exports declined from 37,502 tons in 1957-58 to a low of 12,080 tons in 1966-67. During this same period, plantation acreage declined from 60,000 to less than 22,000. Although exports increased to nearly 26,000 tons in 1968-69 (6,100 tons were from stocks), sisal plantations have continued to decrease in size, and are also shrinking in number. Only a significant increase in world sisal prices or Government price supports could offset this downtrend in acreage and exports.

Present production costs for Haiti's plantation sisal fiber are around 7 cents a pound, nearly the value of Haitian sisal fiber on the world market. At this low price, the break-even point for plantation sisal is near 4.9 metric tons per acre per year. Land producing less is being abandoned.

In keeping with the worldwide trend, Haiti's producers on plantation-sized units have been finding it more difficult to market their high-quality sisal fibers owing to increased competition from twine producers in other sisal producing countries. In recent years three bailer twine factories and three padding (compressed fiber) factories have been established in Haiti. Finding it uneconomical to convert machine-decorticated fiber into bailer twine, these companies have created a demand for low-cost, hand-decorticated fiber. Since the costs for Haitian labor are very low, wild sisal can be harvested, decorticated by hand and the resulting fiber transported to market at very low cost to the processor.

The combined effect of low world prices and increased local production of bailer twine has caused major changes in the production patterns of sisal in Haiti. Whereas more than 85 percent of the 1958 crop was produced on plantations, mainly in northeastern Haiti, only some 40 percent of the 1969 crop came from plantations. The rest was grown in south-central Haiti and was harvested by Haitian peasants.

—By Jerry LaGra
Administration for Technical Cooperation, Organization of American States

Right and below, students get practical training in the latest techniques of baking during a recent bakery seminar in El Salvador sponsored by Great Plains Wheat, Inc.

U.S. Wheat Promotion Is Expanded in Latin America

In an effort to strengthen the position of U.S. wheat in the growing Latin American market, Great Plains Wheat, Inc., has expanded its market development work in that area,

Included in the expanded program of the producer-supported organization are an increased number of technically oriented baking seminars, greater support of both local and regional baker training schools, and wheat food promotion aimed at consumers.

The increase in promotional activities is based on an expected growth in wheat usage in the region, due to increases in both population and per capita consumption. A recent study of wheat food consumption for a 10-year period in 10 countries revealed a 51-percent increase in wheat usage, while the population growth for the same period was 35 percent, showing a definite increase in per capita consumption. Wheat consumption growth estimates for the future vary from 4 to 8 percent per year.

The total Latin American region—South America, Central America, and the Caribbean Sea area—represents a large percentage of the total U.S. wheat market. In recent years U.S. wheat exports to Latin America have averaged in excess of 100 million bushels annually, or about 15 to 20 percent of total annual U.S. wheat exports.

Among the many assistance projects conducted by Great Plains Wheat in Latin America, the most effective are the baking seminars and baking schools. The week-long seminars provide practical training for bakers through a compact program of lectures on dough preparation, baking ingredients, baking economics, and wheat and flour qualities; demonstrations in preparing various bread products; and actual baking practice under expert supervision and well-controlled conditions.

About 500 bakers, bakery owners, and representatives of allied trades have already participated in the program. Seminars have been held in Venezuela, Colombia, Ecuador, Panama, Guatemala, El Salvador, the Dominican Republic, and Trinidad. They are now being planned for Costa Rica, Nicaragua, and Honduras.

During the past marketing year, ending June 30, Great Plains Wheat conducted five baking seminars in Latin America. An equal number have already been held during the first half of the current marketing year, with seven more seminars scheduled during the first 4 months of 1971.

Great Plains Wheat is currently assisting local organizations in five Latin American countries in the maintenance and supervision of eight baking schools for various levels of baking skills, and is also working with several groups in an attempt to establish more of these permanent baker training centers, for both national and international use.

A 6-month cooperative bread promotion campaign is currently underway in Panama, utilizing television, radio, and billboard advertisements, in an effort to boost wheat food consumpton. Other bread and pasta campaigns are now being considered in several others of the Latin American countries.

CROPS AND MARKETS

Fats, Oils, and Oilseeds

Malaysian Palm Oil Exports Increasing

Palm oil exports from Malaysia during the January-August 1970 period totaled 223,700 metric tons—15 percent over the comparable 8-month period in 1969. The increase reflects expanded output from new plantings in recent years. Exports of palm kernels through August are down 38 percent compared with the same period in 1969, despite an estimated increase in production. Malaysia's exports this year have been lagging behind production, both for palm oil and palm kernels; consequently, stocks have increased despite increasing domestic needs.

There is every likelihood that Malaysia's production will continue to expand at a rapid pace over the next few years because of the expansion in tree plantings under the Federal Land Development Agency program. Although the smaller yields on large blocks of new acreage coming into production, together with changes in weather conditions, may distort the overall average yield this year or in future years, the general trend in production over the next few years is expected to continue upward. Virtually all of the increase in output will be available for export.

MALAYSIAN [1] EXPORTS OF PALM OIL AND PALM KERNELS

Item	1967	1968	1969	1970
	1,000 long tons	*1,000 long tons*	*1,000 long tons*	*1,000 long tons*
Palm oil:				
Jan.	8.7	29.3	25.6	23.9
Feb.	12.8	23.5	20.8	22.0
Mar.	16.3	17.4	26.6	26.6
Apr.	16.9	13.2	20.6	26.8
May	16.9	24.0	28.9	33.8
June	16.5	10.2	27.5	21.1
July	13.0	24.8	22.1	36.5
Aug.	11.4	21.6	21.7	33.0
Jan.-Aug.	112.5	164.0	193.8	223.7
Sept.	15.4	16.8	33.3	—
Oct.	20.2	29.4	36.3	—
Nov.	8.3	32.6	33.8	—
Dec.	19.4	20.4	26.1	—
Jan.-Dec.	175.8	263.2	323.3	—
Palm kernels:				
Jan.	1.6	2.0	2.6	2.0
Feb.	1.8	2.9	2.6	1.7
Mar.	2.1	3.1	3.4	1.7
Apr.	1.5	2.7	4.3	3.1
May	1.0	2.0	1.6	2.0
June	1.0	2.1	2.8	1.1
July	.5	1.9	2.9	1.2
Aug.	.7	1.7	2.5	1.2
Jan.-Aug.	10.2	18.4	22.7	14.0
Sept.	1.8	2.6	3.3	—
Oct.	2.3	4.4	2.5	—
Nov.	1.7	3.9	3.8	—
Dec.	2.7	2.7	2.0	—
Jan.-Dec.	18.7	32.0	34.3	—

[1] Excluding Singapore. Department of Statistics, Kuala Lumpur.

WEST MALAYSIAN OIL PALM ACREAGE, YIELDS, AND PRODUCTION

Year	Area Planted	Area Harvested	Yield	Production	Exports
	1,000 acres	*1,000 acres*	*Tons per acre*	*1,000 metric tons*	*1,000 metric tons*
1965	240	144	1.03	149	141
1966	303	155	1.20	186	181
1967	347	175	1.24	217	180
1968	400	185	1.43	265	268
1969	500	235	1.39	326	328
1970 [1]	([3])	300	1.30	400	375
1971 [2]	([3])	340	1.35	460	[4] 475

[1] Preliminary. [2] Projection. [3] Not available. [4] Export availability. Dept. of Statistics, Kuala Lumpur; FAS projections.

Olive Oil Production To Increase

World production of pressed olive oil in 1970-71 is provisionally forecast at 1.35 million metric tons, or 95,000 tons

PRESSED OLIVE OIL SUPPLY AND DISTRIBUTION IN MAJOR PRODUCING COUNTRIES

Item	1967-68	1968-69	1969-70 [1]	1970-71 [2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Supply:				
Stocks, Nov. 1 [3]	401	482	540	437
Production:				
Spain	259	480	370	425
Italy	537	385	471	370
Greece	194	154	150	200
Portugal	81	53	72	60
Turkey	60	126	50	120
Tunisia	51	55	25	85
Others	154	131	115	88
Total	1,336	1,384	1,253	1,348
Total supply	1,737	1,866	1,793	1,785
Distribution:				
Net exports [4]	81	78	97	95
Apparent domestic consumption	1,174	1,248	1,259	1,265
Stocks, Oct. 31 [3]	482	540	437	425
Total distribution	1,737	1,866	1,793	1,785

[1] Preliminary. [2] Forecast. [3] Estimated stocks in major producing countries. [4] Calendar year of later year shown.

above last year's level. Aggregate supplies are, however, slightly less than last year's, reflecting reduced stocks in Italy and Spain.

Although olive oil prices are somewhat higher than they were a year earlier, the sharp increase in prices for most seed oils, such as peanut and sunflower, has made olive oil prices relatively more attractive to the consumer than in past years.

Despite price changes, net olive oil exports from the major producing countries are not expected to change significantly from those in 1969-70.

The United States is the leading olive oil importer outside the Mediterranean Basin. U.S. imports in the January-October period this year totaled 23,419 tons against 21,486 tons in the comparable period in 1969. At 39.3 cents per pound, the price for edible olive oil, imported drums, New York, in November 1970 was only slightly above the 38.7 cents per pound of November 1969.

Philippine Coconut Exports Held Back

Following the recent typhoons which hit major Philippine coconut areas, exports of coconut products in calendar 1970 are estimated to increase by only 6 percent—to a volume of 635,000 long tons oil basis—from 598,100 tons in 1969. The current estimate is lower than the 10-percent increase forecast in September 1970.

The downward revision reflects the damaging effects of typhoons: "Sening" on October 13-14 and "Yoling" on November 19, which hit the northern producing areas, as well as "Titang" on October 18-20 which hit Mindanao. Most of the damage was reported to have taken place in the Bicol and southern Luzon (in the Tagalog region). Areas directly hit by strong winds have suffered reduced long-term potential production because of uprooted trees. However, adjacent areas are not believed to have suffered significant tree damage. Production in these areas will actually benefit from the heavy rains, increasing to offset the reduction in output in the damaged areas.

At present it would appear that the volume of Philippine exports on oil basis in 1971 may not increase as much as earlier expected and perhaps may only approximate or slightly exceed the 1970 volume.

There has been a substantial shift since 1960 in the areas producing coconuts, owing to several factors:

- Increased production from newer plantings in Mindanao on acreage formerly devoted to abaca.
- Declining yields per tree on older trees in the traditional producing areas.
- Reduced tree numbers in some northern producing areas because of storm damage, diseases, and urbanization.

PHILIPPINE EXPORTS OF COCONUT PRODUCTS

Item	1968	1969	Jan.-Oct. 1969	Jan.-Oct. 1970
	1,000 long tons	*1,000 long tons*	*1,000 long tons*	*1,000 long tons*
Copra	653.7	548.6	456.6	327.7
Coconut oil	266.3	210.7	182.1	265.0
Desiccated coconut	72.8	49.5	45.9	48.0
Oil equivalent exports	738.8	598.1	512.4	514.5
Copra meal	184.0	175.0	—	191.6

Association of International Shipping Lines, Manila.

- Efforts to relocate coconut production in southern areas which have a more even distribution of rainfall and lower frequency of typhoon hits.

Coconut area is expected to continue to shift, but at a slower rate than in the past 10 years, since the best land is now already occupied. Production by producing area will continue to shift as yields of new plantings in Mindanao rise and older plantations in the north decline. Thus, typhoon damage to coconut production is expected to have less impact in future years than it has had in the past.

World Fishmeal Production Up

Fishmeal output in the major producer-exporter countries —Peru, Norway, and Chile—during January-September 1970 totaled nearly 2.6 million short tons against 1.8 million in the same months of 1969. These three countries export about 97 percent of their output and account for about 75 percent of world exports.

Combined exports from the three countries in the January-September period last year were 2.1 million tons—only 47,000 tons more than in the same period in 1969, and 487,000 tons less than production. This is in sharp contrast to the 1969 period when exports, at just over 2 million tons, exceeded production by over 200,000 tons. A substantial buildup in stocks thus took place in 1970. The last similar occurrence was in 1967 and was followed in 1968 by heavy stock dispersals, which boosted exports to 5 percent over production.

The 1969 decline in fishmeal imports into eight selected countries, which in the past have accounted for the bulk of world fishmeal imports, continued through the first 9 months of 1970. The decline was brought about by relatively scarce supplies and high prices which began in May 1969. Imports by these eight countries, at 1.4 million tons in the January-September period, were down 365,000 tons, or 20 percent, from the level in the same 9-month period of 1969. When compared with exports, a sizable volume (600,000 tons) is left unaccounted for. This may in part reflect the inherent lag between export and import data as well as the possibility that a larger volume of fishmeal is probably now moving to other importing countries in both East and West Europe.

Although 1971 fishmeal production at this early stage is indeterminate, several observations can be made:

(1) Aggregate fishmeal production in these three countries trended upward at an annual average volume of 246,700 short tons during the 1960-68 period.

(2) Aggregate fishmeal production in these countries since 1960 increased in 7 years and declined only in 2 years—1965 and 1969.

(3) Fishmeal exports from these countries have in the past accounted for over 95 percent of combined output and trended upward at a volume of 243,900 tons annually during the 1960-68 period.

(4) If we assume that fishmeal production in 1971 does no more than stagnate at the 1970 volume, which is currently estimated at 2.85 million tons, and that indigenous use continues at about 150,000 million tons, export availabilities in 1971 from 1971 production would amount to 2.7 million tons.

(5) In addition, a substantial volume of fishmeal—roughly 380,000 tons—accumulated in 1970 will be available for future export.

(6) Although aggregate fishmeal imports into major consuming countries declined sharply in 1969 and continued to

decline in 1970, imports to all countries except the United States, were well maintained through 1969. Only in 1970 was the decline in fishmeal availabilities felt in the major consuming countries abroad. This indicates that U.S. exports of soybeans and meal were not affected by the decline in fishmeal availabilities in 1969, but did benefit significantly from the reduction in 1970.

(7) In 1970, fishmeal production may have reached a new record high. However, as has previously occurred, the impact of the large production would not be felt in the consuming countries until 1971.

FISHMEAL PRODUCTION AND TRADE

Item and country	1967	1968	1969	Jan.-Sept. 1969	Jan.-Sept. 1970
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Production:					
Peru	2,002	2,119	1,776	1,347	2,067
Norway	544	445	341	322	365
Chile	180	260	248	131	119
Total	2,726	2,824	2,365	1,800	2,551
Exports:					
Peru	1,755	2,287	1,825	1,597	1,778
Norway	546	480	332	274	206
Chile	113	194	160	146	80
Total	2,414	2,961	2,317	2,017	2,064
Retained residual:					
Peru	+247	−168	−49	−250	+289
Norway	−2	−35	+9	+48	+159
Chile	+67	+66	+88	−15	+39
Total	+312	−137	+48	−217	+487
Imports:					
West Germany	506	574	590	478	421
Netherlands	161	205	217	148	99
France	109	118	116	97	77
Italy	113	123	126	100	97
United Kingdom	440	551	516	408	306
Spain	118	125	156	128	115
Japan	96	166	119	117	101
Subtotal	1,543	1,862	1,840	1,476	1,216
United States	654	856	359	321	216
Total	2,197	2,718	2,199	1,797	1,432
Exports less imports	217	243	118	220	733

FISHMEAL PRICES[1]

Month	1967	1968	1969	1970
	U.S. dol. per short ton	*U.S. dol. per short ton*	*U.S. dol. per short ton*	*U.S. dol. per short ton*
Jan.	150	120	125	185
Feb.	150	120	134	181
Mar.	150	116	130	159
Apr.	136	113	133	171
May	—	120	149	179
June	—	129	157	187
July	—	128	162	187
Aug.	—	125	158	187
Sept.	155	120	166	189
Jan.-Sept. average	148	121	146	180
Oct.	—	115	207	187
Nov.	120	121	205	187
Dec.	120	130	201	187
Jan.-Dec. average	140	121	161	182

[1] Peruvian 65 percent crude protein, c.i.f. European ports.

Dairy and Poultry

Canadian Poultry and Egg Outlook, 1971

Canadian poultry meat and egg production is expected to remain considerably above 1970 levels during the first half of 1971, while prices are likely to be lower. These were the conclusions of Canada's Department of Agriculture at the Agricultural Outlook Conference, in Ottawa, November 24.

Unofficial forecasts of total poultry meat production in Canada for 1970 are 998.5 million pounds, 11.6 percent above the 1969 revised total of 895.1 million pounds. The Canada Department of Agriculture, however, indicated that an accurate outlook appraisal and forecast for poultry production in 1971 is difficult due to struggles between various provincial marketing boards. Some provinces are less than self-sufficient in poultry meat and are implementing programs to expand output. Other provinces are faced with overproduction and are striving to improve their marketing position. Thus, the Department concluded that Canada will be faced with serious marketing and price problems in 1971.

The Department's report noted that the outlook for turkeys is likely to be more favorable than that for broiler chickens. The carryover of turkeys in storage stocks at the beginning of 1971 is expected to be at normal levels in spite of a substantial increase in production over last year. The report also indicates a good outlook for turkey exports.

In 1971, Canadian egg production is expected to gain 5 to 9 percent over the revised estimate of 500 million dozen for 1970. The placement of egg-type chicks during the first 10 months of 1970 was about 9 percent above the level of a year earlier. As a result, layer numbers will increase more than seasonally during the first half of 1971. However, the outlook for increased marketing of fowl in the last quarter of 1970 could provide some relief to this buildup in layer numbers.

Larger egg supplies, smaller exports, reduced use of eggs for hatching, and a plentiful supply of other high-protein foods are expected to depress Canadian egg prices in the first half of 1971 well below the relatively high levels of a year earlier. The outlook is for a substantial reduction in exports of shell eggs to the United States during the first half of 1971 from the 6.5 million dozen shipped during the corresponding period of 1970.

Austrian Government Aids Milk Producers

Effective November 1, 1970, the Austrian Ministry of Agriculture reduced the checkoff that is taken from producer milk receipts to finance the dairy industry's sales and export promotion schemes. Cutting the checkoff from about 34 cents per 100 pounds to 19 cents was tantamount to a price increase to producers of 15 cents per 100 pounds. The fixed producer milk price, from which the sale promotion subsidy is deducted, is equivalent to about $3.90 per 100 pounds. Thus, the action to reduce the checkoff increased returns to producers from $3.56 to $3.71 (per 100 lb. delivered).

In July 1970, the Minister of Agriculture had raised the checkoff from producer receipts by 20 cents per 100 pounds (from about 14 cents to 34 cents) because milk marketings by dairy farmers in the first half of 1970 were up 6 percent

from the level of a year earlier. After this raise milk deliveries by farmers declined steadily in relation to those of last year, and in September and October they fell below the 1969 level. As a result, a checkoff cut was felt to be in order.

Grains, Feeds, Pulses, and Seeds

Weekly Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	January 6	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.07	+1	1.95
USSR SKS-14	2.05	−1	1.78
Australia FAQ	1.88	0	1.70
U.S. No. 2 Dark Northern Spring:			
14 percent	2.07	0	1.86
15 percent	2.10	0	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.98	+1	1.73
Argentine	(1)	(1)	1.73
U.S. No. 2 Soft Red Winter	1.90	+2	1.58
Feedgrains:			
U.S. No. 3 Yellow Corn	1.82	+2	1.47
Argentine Plate corn	1.90	−5	1.46
U.S. No. 2 sorghum	1.62	−2	1.45
Argentine-Granifero	1.62	−3	1.38
Soybeans:			
U.S. No. 2 Yellow	3.27	−1	2.80
Import Levies:			
Wheat	1.40	−4	1.62
Corn	.63	0	1.06
Sorghum	.76	−3	1.01

[1] Not quoted. Note: Basis—30- to 60-day delivery.

Fruits, Nuts, and Vegetables

French Canned Fruit Pack Up

France reports a large deciduous canned fruit pack despite the second consecutive short apricot crop. Reports indicate record packs of mixed fruits and peaches. Canned mixed fruit production is estimated at 694,000 cases of 45 pounds each—9 percent above 1969. The 1970 peach pack is estimated at 376,000 cases, 6 percent above the level of last season and 22 percent above the yearly 1964-68 average. Canned pear production was larger than in 1969, but the apricot pack remained small.

FRENCH PRODUCTION OF CANNED DECIDUOUS FRUITS

Canned item [1]	1967	1968	1969	1970 [2]
	1,000 cases [3]	*1,000 cases* [3]	*1,000 cases* [3]	*1,000 cases* [3]
Apricots	230	224	68	77
Sweet cherries	322	253	289	272
Tart cherries	60	41	25	11
Mixed fruits	497	574	631	694
Peaches	321	372	355	376
Pears	322	238	292	309

[1] Water and syrup packs of tart cherries. Syrup packs of all other items. [2] Estimate. [3] Case holds 45 lb.

EC Opens Global Quota for Raisins

The Council of the European Communities (EC) has adopted a regulation opening and apportioning the Community tariff quota for dried grapes in immediate packing of a net capacity of 33 pounds or less of the common customs tariff head 08.04B. The quota duty rate is 1.2 percent ad valorem.

The global quota covering the period December 1, 1970, to November 30, 1971, is distributed as follows:

	Short tons
West Germany	1,996
Belgium-Netherlands-Luxembourg	414
France	330
Italy	86
Total	2,826

This quota, sometimes called the Iranian quota because it originated in the EC-Iranian Trade Agreement of 1963, is open to imports from all countries.

Sugar and Tropical Products

Canada Extends Caribbean Sugar Rebate

Canada's External Affairs Minister announced December 17 that the Government of Canada would extend its sugar rebate payments to Commonwealth Caribbean states through 1971. The rebates in previous years amounted to US$1,138,277 in 1967 and US$1,159,858 in 1968, but dropped to US$832,056 in 1969. These amounts have been divided among Guyana, British Honduras, Panama, Barbados, Trinidad, and St. Kitts since 1967.

The Minister of External Affairs stated that the full year's extension in sugar rebates, which amounts to 29 cents per hundredweight (112 lb.) on the tariff for raw sugar, represents a positive response to requests made by Caribbean leaders. It was further indicated that the sugar rebate situation will be reviewed when Canada's Tariff Board releases a report on sugar during 1971.

Crops and Markets Index

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

PENALTY FOR PRIVATE USE, $300
OFFICIAL BUSINESS

United States Department of Agriculture
POSTAGE & FEES PAID

Japan's Changing Food Preferences

(Continued from page 4)

consumed each day by older persons will continue to decline, however, as that of side foods such as meat, dairy products, eggs, fruits, and fats and oils continues to rise and as wheat foods are substituted for rice as the main item at more meals.

But among the younger generation the pattern is rapidly changing. Two factors accelerating the change are the current marriage boom and capital liberalization in the restaurant field.

About a million Japanese girls born in the postwar baby boom era (1947-49) are reaching marriage age this year. The average marriage age in Japan is now 23 years for brides and 27.2 years for bridegrooms. This year 1,153,000 women will turn 23, in contrast with only 723,000 last year. These young women grew up eating bread, milk, and other nontraditional foods in the school lunch program, even though they did not find them on their home dinner-tables in any quantity. Many will now serve these foods regularly to their new husbands and later to their children.

The restaurant field was included in Japan's third round of capital liberalization, which became effective in September 1970. Now foreign firms can enter the restaurant business, and fast food service outlets patterned after those in the United States and Western Europe are springing up all over Japan. Steak houses, fried-chicken carryout shops, stands for soft ice cream, sandwich restaurants, and doughnut shops are doing a booming business. This development will contribute greatly to diet changes in the future.

Per capita daily caloric intake has remained stable in Japan at a peak of about 2,450 calories for the past 3 years. Some increase can be expected over the long term, since Japanese are becoming taller and heavier. But major diet changes in the future will or are likely to be in quality rather than quantity, since this is the modern nutritional emphasis in Japan.

Consumption of animal products and fats and oils per person is currently expanding at a rapid rate, and this growth will very likely continue during the next decade. These trends are of particular significance to the United States; Japan is its largest buyer of feedgrains and soybeans.

Considering current per capita consumption of animal products, together with recent trends, the consumption projections for JFY 1977 made by the Ministry of Agriculture and Forestry appear much too low for meat, somewhat low for eggs, and about right for dairy products. The projections for fats and oils also seem low.

Over the long term, the future for wheat flour consumption growth is not particularly bright; but for the next few years, a small rise—2 to 3 percent per year—in per capita consumption is expected; and with annual population growth of 1 percent, the Ministry's projection of 72 to 73 pounds in JFY 1977 seems reasonable.

The future food consumption pattern of the Japanese people will depend heavily on their ability to buy and the availability of foods in the market.

While Japan's economic boom continues, per capita disposable income will rise at a fast pace. Consumers will probably have a growing ability to buy.

As for food availability, the structure of Japanese agriculture is changing in response to many factors, including the higher demand for animal products and for fruits and vegetables and lower demand for rice. Also, agricultural products will undoubtedly be imported more freely in the future than in the past, and from a wide variety of sources. Thus, it appears that the food products Japanese consumers want to buy will be readily available in the market.

U.S. exporters of farm products have a strong interest in seeing that their own commodities contribute to these market availabilities and thus to Japan's future dietary pattern.